



Nostalgia JOE REGA'S GAS STATION and grocery store in 1932. Joe Rega, Jeanette Rega and Bertha Capri. RD 1, Carbondale. Shown in picture are, left to right,

Yes. I remember this store, more or less as it appears in this photograph. Jeanette is very recognizable. a new building is now being erected on the site of this store - on the old foundation.

This, of course, is good news. It's about time.

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MONEY MANAGERS' WEEKLY RESEARCH REVIEW

October 9-15, 1986

#1609

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INVESTMENT COMMENT

Buoyancy

People used to argue about whether stock market investors were bullish or bearish at any given moment. The consensus is important to contrarians, who vow to head immediately in the opposite direction. Of course, not many do. Few have the nerve to sell into a rising market or buy in a declining one. Most will wait for a turn, usually one that is pronounced.

Reading the mood of the credit markets is ordinarily fairly easy. The Treasury bill market is bullish when bills sell distinctly below the discount rate. That is the case now. The bond market is bearish when a significant spread opens up between bills and bonds. That has also happened. So bill traders are bullish and bond traders bearish. It will pay to buy bonds or sell bills. Since we anticipate another discount rate cut, we like bonds.

In the commodities markets, the test is how far the futures are selling above or below the cash market, adjusted for the cost of carry. It is now possible to apply that same test to the stock market, given the advent of stock index futures. Not only is the futures market a good barometer of expectations, but arbitrage programs can make it a self-fulfilling prophecy. Futures traders turned overwhelmingly bearish in the last month. On September 11th, the day the market crashed 86 points on the Dow, the futures con-

(Continued on page 2.)

Indian Summer: What, Why, and When

AFTER LABOR DAY HAS PASSED, IT seems that almost any warm day in the northern part of the United States is referred to by most people as "Indian summer." And while their error is certainly not of the world-shaking variety, they are, for the most part, in error.

Besides specific dates, there are certain Indian summer criteria to be met. Indian summer is warm, of course. In addition, however, the atmosphere during Indian summer is hazy or smoky, there is no wind, the barometer is standing high, and the nights are clear and chilly. Meteorologists describe these fall conditions as caused by convection of a moving, cool, shallow polar air mass into a deep, warm, and stagnant anticyclone (high pressure) system, which has the effect of concentrating natural dust and smoke in the air near the ground and causing a large swing in temperature between day and night.

The more controversial aspect of Indian summer is the time of its occurrence. Or whether or not there is a certain time. Most would agree that warm days in the fall do not of themselves constitute Indian summer unless they follow a spell of cold weather or a good hard frost.

Beyond that, many references to Indian summer in American literature indicate a time of "late fall" or "after late October." This is in contrast, therefore, with the time of Indian summer in old England, which can come in September, known then as St. Augustine's

summer, in October, St. Luke's summer, or in November, St. Martin's summer. Those particular saints' days occur August 28, October 18, and November 11, respectively.

For the past 193 years this publication (as well as many other 19th-century almanacs) has always adhered to the saying, "If All Saints brings out winter, St. Martin's brings out Indian summer." Accordingly, Indian summer can occur between St. Martin's Day, November 11, and November 20. If the conditions that constitute Indian summer, described above, do not occur within those dates, then there is no Indian summer that year.

If there is a period of warm fall weather at a time other than between St. Martin's Day and November 20, then such a time could be correctly described as being like Indian summer.

Finally, why is Indian summer called Indian summer? Some say it comes to us from early Indians who believed the condition was caused by a certain wind emanating from the court of their God Cautantowwit or the Southwestern God. Others feel the term evolved from the fact that around the time of Indian summer, or shortly before it, the deciduous trees are "dressed" as colorfully as Indians.

The most probable origin of the term, in our view, goes back to the very early settlers in New England. Each year they would welcome the arrival of cold wintry weather in late October when they could leave their stockades without worrying about Indian attacks and commence preparing their fields for the following spring plantings. The Indians didn't like attacking in cold weather. But then came a time, almost every year around St. Martin's Day, when it would suddenly turn warm again, and the Indians would decide to have one more go at the settlers even though it was no longer their normal raiding season. "Indian summer," the settlers called it.



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